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News Release

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Buffalo man indicted for embezzling from church, child pornography distribution and possession

A 36-year-old Buffalo man was indicted Nov. 8 by a federal grand jury on counts of possession, receipt and distribution of child pornography, as well as for embezzling more than \$240,000 from a Rockford church.

Matthew James Beise was charged in one indictment with five counts of mail fraud in connection with the embezzlement of more than \$240,000 from the Cross Evangelical Lutheran Church in Rockford. In a separate indictment, Beise was also charged with one count of possession of child pornography, one count of transmission of child pornography and one count of receipt of child pornography.

Beise's indictment alleges that he served as the church council treasurer for the church from 1998 to 2006. In his capacity as treasurer, Beise had control of the books and records of the church, and had signatory authority on the church's checking account. Beise had authorization to draw on the account to pay recurring church bills or for other payments authorized by the church council.

Starting in January 2001 through September 2006, Beise knowingly devised and executed a scheme to defraud and to obtain money from the church by means of false and fraudulent pretenses and representations. The indictment alleges that Beise deposited church funds by check or wire transfer into his personal bank account, as well as writing checks from the church bank account to directly pay his personal expenses.

Beise allegedly embezzled more than \$240,000 from the church, and used those funds for personal expenses, such as credit card payments, jewelry, season tickets to sporting events and expenses related to the construction of a \$600,000 home.

The indictment alleges that Beise intended to conceal the embezzlement by providing false monthly financial reports to the church council regarding the nature of expenditures from the church bank account, as well as the condition of the church's finances. Those monthly reports were sent and delivered via the U.S. Postal Service.

If convicted on all counts related to the embezzlement, Beise faces a potential maximum penalty of 40 years in prison. All sentences are determined by a federal district court judge. This case is the result of an investigation begun by the Wright County Sheriff's Office, with assistance from the Internal Revenue Service-Criminal Investigations Division and the U.S. Postal Inspection Service.

During the embezzlement investigation, Beise's computer was seized during a search warrant of his residence, and authorities found approximately 190 images of child pornography on it.

This second indictment alleges that, from 2004 through 2006 Beise traded images of minors engaging in sexually explicit conduct with other individuals using an Internet-based e-mail account. On Jan. 12, 2007, Beise knowingly possessed one or more of these images. On March 13, 2006, using an AOL e-mail account, Beise allegedly transported three child pornography images and received three different child pornography images.

If convicted on all three child pornography counts, Beise faces a potential maximum penalty of 50 years in prison. All sentences are determined by a federal district court judge. This case is the result of an investigation by the Wright County Sheriff's Office, U.S. Postal Inspection Service, the Internal Revenue Service-Criminal Investigations Division and the Federal Bureau of Investigation.

This case is part of Project Safe Childhood (PSC), a national initiative that encourages the use of multi-jurisdictional task forces to investigate and prosecute cases that involve the sexual exploitation of children over the Internet. PSC urges that law enforcement efforts be complemented by community-wide campaigns to assist victims of exploitation and to educate parents, other adults, and children about Internet safety.

According to the U.S. Department of Justice, one in 33 children receives an unwanted sexual solicitation online each year. One in four children experiences unwanted exposure to sexually explicit material on the Internet each year. And, more than 20,000 images of child pornography are posted on the Internet every week. Moreover, recent research conducted by the Federal Bureau of Prisons indicates a strong correlation between possessing or distributing child pornography and committing sexual-contact crimes against children.

Both cases are being prosecuted by Assistant U.S. Attorney Timothy C. Rank.

An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.